

# Payment of Accounts

Guidelines for Tasmanian Government Businesses

Version 1

September 2014

## Introduction

The Government has implemented a policy that all Government Agencies must pay outstanding invoices of less than \$50 000 within 30 days, or if a shorter term has been agreed, within the shorter term. For invoices of \$50 000 and above, payment must be made in accordance with agreed terms and by the due date.

## Purpose of this guideline

This Guideline has been prepared to outline the Government's expectations regarding the timely payment of accounts by all Government businesses.

## Application

This Guideline applies to all Government Business Enterprises and State-owned Companies and takes effect from the date of receipt. It applies to all invoices received on or after that date. Reporting is required in the 2014-15 Annual Report and all Annual Reports prepared thereafter

## Payment of Accounts

Entities are required to implement appropriate policies and procedures to ensure that all accounts are paid on time and if not, interest is paid for late payments (in accordance with negotiated arrangements).

In developing policies and procedures, entities are encouraged to consider any business-specific system and/or cash flow limitations.

## Reporting

Each Government business must report its actual performance with respect to payment of accounts in its Annual Report.

If reporting indicates that there is an issue for a Business, appropriate key performance indicators may be incorporated into future Statements of Corporate Intent.

Businesses should include as a minimum the information on the following page. Please note that Businesses are not required to adopt this format and may use an alternative format as long as it includes the same information.

## Accounts due or paid within each year

Measure	
Creditor Days	# days
Number of accounts due for payment	#
Number of accounts paid on time	#
Amount due for payment	\$
Amount paid on time	\$
Number of payments for interest on overdue accounts	#
Interest paid on overdue accounts	\$

### Commentary (if applicable)

- Reasons for delays
- Details of action taken to improve performance